

GOVERNMENT OF TELANGANA
ABSTRACT

MINES & MINERALS - Mining Lease for Iron Ore over an extent of 8.00 Hectares in Sy.No.202/1 of Bayyaram Village & Mandal, Khammam District held by Sri Jatoth Mark Raju - Determination of the mining lease as per Rule 27(5) of M.C.Rules, 1960 - Orders - Issued.

INDUSTRIES & COMMERCE (M.II) DEPARTMENT

G.O.MS.No. 6.

Dated:08.01.2015.
Read the following:

1. G.O.Ms.No.22, Ind. & Com. (M-II) Dept., dt.29-01-2009.
2. From the Director of Mines & Geology, Hyd.,File No.6360/R6-2/2011.
3. Govt. Memo No. 4110/M.III(2)/2013, Ind.& Com (M.III) Dept., dt.28.03.2013.
4. From Sri Jatoth Mark Raju, Representation dt.30-4-2013.
5. From the Director of Mines & Geology, Hyd., File No. 6360/R6-2/2011.

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O R D E R:

In the reference 1st read above, Government have accorded permission to Sri Tejavath Shankar Rao for transfer of mining lease held by him for Iron Ore over an extent of 8.00 Hectares in Sy.No.202/1 of Bayyaram Village & Mandal, Khammam District in favour of Sri Jatoth Mark Raju for the un-expired portion of the lease period i.e. upto 03-04-2025. The transfer lease deed was executed by Sri Jatoth Mark Raju on 02.03.2009 and the ADM&G, Kothagudem vide Procd.No.244/M/2009, dt.02-03-2009 issued work orders to continue the mining operations. The said Mining Lease will be in force upto 03-04-2025.

2. In the reference 2nd read above, The Director of Mines & Geology, Hyderabad has reported that in November, 2009 an adverse news item appeared in Andhra Jyothi Telugu daily under caption "Ikkada Inuparai Pandutondi" alleging about illegal mining of Iron Ore in Forest and Pattaland in different villages of Bayyaram Mandal. The officials of the Regional Vigilance & Enforcement, Warangal, the Deputy Director of Mines & Geology, Warangal, the Assistant Director of Mines & Geology, Kothagudem, the Assistant Director of Mines & Geology (Vig.), Mahabubabad, Revenue Officials of Bayyaram Mandal and Regional Mobile Squad, Khammam unit have jointly inspected the Mining lease area and seized illegally extracted Iron Ore duly conducting panchanama. The seized mineral was handed over to the Tahsildar, Bayyaram Mandal, Khammam District for custody and subsequently, the seized material was disposed under Section 21(1) and 21(5) of Mines & Minerals (D&R) Act,1957.

3. The Director of Mines & Geology, Hyderabad based on the joint inspection report, has submitted proposal to the Government for determination of the above said Mining Lease held by Sri J. Mark Raju under Rule 27 of Mineral Concession Rules, 1960, on the following grounds:

- (i) As per modified Approved Mining Plan, the total production of Iron Ore upto October, 2009 is 1,60,919 MT and the mineable reserves still available is about 1,45,187 MT. Whereas, the total reserves estimated in the leased area by taking the depth of 1.3 meters is 1,42,933 MT only. But, the lessee has already taken permits for 1,58,339 MT (upto June 2010) i.e., the total reserves are to be almost exhausted. But, there are limited reserves of Iron Ore still available in this area as the area is not totally opened up.
- (ii) There is parental (source rock) Banded Hematite Quartzite (BHQ) hill (named locally Bayyaram Hill) having the height of about 300 MTs located West side of the leased area at about 3 Kms in Reserve Forest. Illegal mining of Iron Ore is found in surrounding Patta and Government assigned land and also on the slopes of the hillock.
- (iii) The quantity of Iron Ore produced from the pits developed in the leased area did not coincide with the dispatched quantity. Hence, the lessee has

mis-utilized the permits taken in the leased area for illegal procuring of Iron Ore from Forest and Surrounded pattaland and assigned Government lands.

4. Further, as per the measurement report, the analysis of Iron Ore dispatches made from the leased area vis-à-vis the permits issued to the lease holder, there is variation noticed, which is shown in the below Table-I & II:

TABLE-I

Location & Extent	No. of Pits	Volume	% of Recovery of Iron ore in ROM (50% as per AMP)	Quantity in MT by taking bulk density of Iron Ore as 3.3 (as per AMP)
S.No.202/1 of Bayyaram Village & Mandal.	575	36860	18430	60820

TABLE-II

Location & Extent	No. of Permits issued	Permitted Quantity (In MT's)	Quantity arrived as per pit measurements (in MT's)	Variation (in MT's)
S.No.202/1 of Bayyaram Village & Mandal, Ext:8.000 Hectares	82	181524	60820	120704

5. In the reference 3rd read above, Government based on the recommendations of DM&G, Hyderabad, have issued a notice to the lessee i.e. Sri Jatot Mark Raju to show Cause within (15) days from the date of receipt of the Govt. Memo, as to why the mining lease held by him for Iron Ore over the subject area shall not be determined under Rule 27 of Mineral Concession Rules, 1960 on the grounds mentioned at para 3 & 4 above.

6. In the reference 4th read above, Sri J. Mark Raju has submitted reply to the Government in response to the above said show cause notice. The Director of Mines & Geology, Hyderabad who has been requested to examine and furnish his remarks on the reply submitted by Sri J. Mark Raju, has submitted his remarks vide reference 5th read above. The contention of the lessee and the remarks submitted by the DM&G in the matter is as follows:

Sl.No	Contention of the lease holder	Remarks of DM&G, Hyderabad
1	The permitted quantity mentioned in the show cause notice is contradictory to each other.	No. The permitted quantity reflected in the show cause notice at para-1 of the grounds is 158339 MT. It is upto June, 2010. Whereas, the quantity shown in Table-2, column-3 of the show cause notice, the quantity is upto April, 2011.
2	He has not conducted mining operations other than the Mining Lease area.	Being a lease holder, it is the responsibility to discourage any illegal activity taking place surrounding the leased area by bringing the matter to the regulating authority. At no point of time the lessee lodged/filed any complaint of illegal activity. Instead he encouraged illegal mining outside the leased area by conniving with the illegal operators.
3	Do not know about illegal mining on the slopes of Bayyaram Gutta.	

4	The Forest, Revenue, Mines Department or any other Dept did not prove/detected any illegal mining conducted or penalized him at any point of time.	Due to meager field staff there was deficiency in monitoring. But the lease holder cannot take it as an advantage to indulge in illegal activity.
5	The measurements of the pits were taken after a lapse of 5 years which will not coincide as the pits were closed after removal of Iron Ore.	During the subsistence of a lease, the dept. can take up pit measurements at any point of time, therefore an incorrect contention. Further, no pits were closed completely after removal of Iron Ore. All the (575) pits operated for extraction of Iron ore have been measured in presence of the lessee representatives, as per the pit measurement report.
6	The Mining Closure plan was also approved by IBM after removal of mineral from the pits. Hence, the variation in the quantity.	In view of remarks at Item No.5, the contention of variation in quantity is invalid.
7	The volume of Iron Ore taken by arriving at the quantity on the number of pits is not known to him.	The pit measurements to arrive the volume of Iron Ore was conducted in presence of Sri M. Krishna Murthy and Sri Y. Srinivas Rao, representatives of Sri J. Mark Raju.
8	The pit measurements were not taken at the time of issue of dispatch permits or at the time of closure of working pits.	There is no procedure for pit measurements at the time of issue of permits. The Working pits have been partly closed after extraction of the mineral.
9	The reserves estimated, permitted quantity, quantity arrived as per pit measurement by the dept. did not coincide which shows the prejudice mind of the departments which is against the principles of natural justice.	The area granted under mining lease for Iron Ore is covered with "Float Ore" deposited under the influence of the gravity over a period of geological time away from the source of the mineral. In such a case, the reserves of the ore estimated will not change/differ later. Moreover, once the mineral is extracted the area becomes virgin. The Department being regulating authority bear no prejudice/grudge against the lease holder. Further, basing on the Dept., findings the Government issued show cause notice, an ample proof of adherence to the principles of natural justice.
10	He has entered into marketing agreement with sponge iron ore industry for supply of Iron Ore and taken sufficient advance amount, if the Government determines the lease, he will incur heavy loss and fail to accomplish the supply agreement.	Any lease holder ought to operate the mining lease in a workman-like-manner duly abiding the provisions of Act and Rules. For any violations, clear provisions of Act and Rules will be implied and such action cannot be co-related to the personal interest of the lease holder.

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7. The Director of Mines & Geology, Hyderabad has therefore requested the Government to take necessary action for determination of Mining Lease for Iron Ore over an extent of 8.00 Hectares in Sy.No.202/1 of Bayyaram Village & Mandal, Khammam District held by Sri Jatot Mark Raju as per Rule 27(5) of M.C.Rules, 1960 as the explanation submitted to the show cause notice is not satisfactory.

8. Government, after careful examination of the matter hereby determine the Mining Lease held by Sri Jatot Mark Raju for Iron Ore over an extent of 8.00 Hectares in Sy.No.202/1 of Bayyaram Village & Mandal, Khammam District as per Rule 27(5) of M.C.Rules, 1960 as the explanation submitted to the show cause notice is not satisfactory, as listed in the tabular column at Para (6) above.

9. The Director of Mines & Geology, Hyderabad shall take necessary further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**K. PRADEEP CHANDRA
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP**

To

Sri Jatot Mark Raju,
S/o. Hemu,
Mudigonda Village, Nekkonda Mandal,
Warangal District - 506 122 **(BY RPAD)**

The Director of Mines & Geology, Hyderabad (with connected file)

Copy to:

The Zonal Joint Director of Mines & Geology, Hyderabad.

The Assistant Director of Mines & Geology, Kothagudem, Khammam District .

The Secretary to Govt. of India, Ministry of Mines, Sastry Bhavan, New Delhi-110001.

The Controller General, Indian Bureau of Mines, Indira Bavan, Civil Lines, Nagpur.440001.

The Director General, Mines Safety, Dhanbad, Jarkand.

The Regional Controller of Mines, Koti, Hyderabad.

SF/SCs. (C.No.4110/M.II(2)/2013)

//FORWARDED:::BY ORDER//

SECTION OFFICER